



PRESS CLIPPINGS

Office of Program Resources Management

(632) 552-9907

September 3, 2005

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STRATEGIC OBJECTIVE #12 (SO12)

(Conflict Reduced in Mindanao and Other Areas Vulnerable to Violence)

Asean neighbors threaten RP leadership in seaweed exports

By ROCEL C. FELIX

The local seaweed industry is being threatened by increasing competition from its ASEAN (Association of Southeast Asian Nations) neighbors which are aggressively pushing their seaweed exports by offering lower prices in the world market.

“Seaweed farming is still attractive, but our ASEAN neighbors are now playing catch up, and if we don’t try to thwart their moves, we could eventually lose our competitive edge,” said Hadji Adam S. Omar, chairman of the Western Mindanao Seaweed Industry Development Foundation Inc.

Among the ASEAN countries, Omar said the biggest threat is Indonesia which in the last three years, raised its production from only 20,000 metric tons (MT) to 60,000 MT this year which is half of the Philippines’ annual seaweed production of 120,000 MT.

Omar said there are now seven seaweed processing plants in Indonesia producing pet food grade carrageenan which used to be the Philippines’ primary seaweed-based product. Recently, Indonesia has been undercutting export prices of dried seaweed and is selling for \$550 to \$600 per MT in the world market.

In contrast, Filipino exports, reeling from higher production costs, are selling at an average of \$700 per MT. “What is alarming of course, is that our competitors are selling to our traditional markets such as China, Korea, Japan, Europe and the US,” said Omar.

The other countries that are making a big splash in seaweed production are Malaysia, Cambodia and Vietnam. Omar said there are now two processing plants in Sabah, Malaysia and processors regularly buy raw dried seaweed from Tawi-Tawi and Sulu in Mindanao.

“Farmers from Tawi-Tawi and Sulu transport the commodity to Sabah and they make full use of the existing barter trade by bringing back to their towns diesel, rice, sugar and other products from Malaysia,” added Omar.

As a result of the predatory pricing scheme of Indonesia and other countries, foreign buyers are shifting to these new sources. This in turn, led to depressed farmgate prices of raw seaweed in the major production areas in Mindanao.

From last year’s unprecedented high of P48 per kilo, current prices are reeling at P7 per kilo. “It’s been downhill after the Chinese New Year,” noted Omar. Omar said various seaweed farmers, organizations will propose measures in next week’s National Seaweed Congress in Zamboanga City which is partly funded by the Growth With Equity in Mindanao Program (GEM) of the United States Agency for International Development (USAID).

GEM, through its Livelihood Enhancement and Peace Program (LEAP) which targets assistance to conflict areas in Mindanao, has so far, provided more than P200 million to former combatants who undertake various livelihood programs such as seaweed farming.

(Source: Philippine Star, 9/3/05, page B3)